VZCZCXRO8280 PP RUEHBI DE RUEHLM #1755/01 2971053 ZNY CCCCC ZZH P 241053Z OCT 06 FM AMEMBASSY COLOMBO TO RUEHC/SECSTATE WASHDC PRIORITY 4541 INFO RUEHKA/AMEMBASSY DHAKA 9517 RUEHIL/AMEMBASSY ISLAMABAD 6422 RUEHKT/AMEMBASSY KATHMANDU 4474 RUEHLO/AMEMBASSY LONDON 3257 RUEHNE/AMEMBASSY NEW DELHI 0088 RUEHNY/AMEMBASSY OSLO 3348 RUEHSM/AMEMBASSY STOCKHOLM 0410 RUEHKO/AMEMBASSY TOKYO 2429 RUEHCG/AMCONSUL CHENNAI 6975 RUEHBI/AMCONSUL MUMBAI 4811 RUEKDIA/DIA WASHDC RHEHNSC/NSC WASHDC RHHMUNA/HQ USPACOM HONOLULU HI RUEHBS/USEU BRUSSELS RUEHGV/USMISSION GENEVA 1436

C O N F I D E N T I A L SECTION 01 OF 02 COLOMBO 001755

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TAGS: PREL PTER PHUM PREF MOPS CE
SUBJECT: SRI LANKA: MAJOR PARTIES AGREE TO COOPERATE ON WAY
FORWARD FOR PEACE PROCESS

REF: COLOMBO 1693

Classified By: Ambassador Robert O. Blake Jr., for reasons 1.4(b,d).

11. (C) SUMMARY: The ruling Sri Lanka Freedom Party (SLFP) and the main opposition United National Party (UNP) signed a Memorandum of Understanding on October 23 setting out a Common Minimum Program to resolve the conflict in the north and east and to address other national issues. Most significantly, the MoU reaffirms the 2002 Ceasefire Agreement with Norway as facilitator -- a position that two Singhalese nationalist parties who supported President Rajapaksa in the November 2005 election vehemently oppose. The Co-chairs and other Western diplomats view the agreement as a positive element in reaching a "southern consensus" that could lead to a viable peace proposal from the Government of Sri Lanka. The agreement remains vague, however, and implementing it will put both the government and the UNP under strain. UNP leader Ranil Wickremesinghe's shaky position within his party introduces another element of instability. End Summary.

A Common Minimum Program

- 12. (U) On October 23, the Sri Lanka Freedom Party (SLFP), the main constituent of the United People's Freedom Alliance (UPFA) government, and the opposition United National Party (UNP) signed a Memorandum of Understanding. Political leaders, members of parliament and religious dignitaries witnessed the signing, which took place after President Mahinda Rajapaksa's Cabinet unanimously endorsed the draft earlier that day. The agreement is the result of four rounds of talks between September 11 and October 11. The MoU sets out a Common Minimum Program (CMP) to resolve the conflict in the north and east and to collaborate on electoral reforms, good governance, economic development, restructuring of the education system and social development.
- ¶3. (U) The Speaker of the Parliament called the signing of the MoU an "historical and positive development," in light of recent destabilizing military developments. Opposition Leader Ranil Wickremesinghe remarked that Sri Lanka's two leading political parties had agreed that only a "political settlement" would solve the ethnic issue and that he was

hopeful the two parties could reach a consensus. President Rajapaksa reiterated his commitment to protect democracy and thanked the UNP for supporting good governance.

Alliances New and Old

- 14. (U) The latest SLFP-UNP talks resulting in the October 23 MoU is not the first time the two main political parties have sought a consensus. In fact, the SLFP and UNP have engaged intermittently in such discussions since 1997. Wickremesinghe lamented that in previous rounds the two parties had not found sufficient common ground.
- 15. (C) The MoU will allow for the continuation of the 2002 Ceasefire Agreement with Norway as facilitator of the peace process. The Marxist-Singhalese nationalist Janatha Vimukthi Peramuna (JVP) and Buddhist monk-led Jathika Hela Urumaya (JHU), who supported President Rajapaksa in the November 2005 Presidential election, vehemently oppose these positions, however. It seems clear that the MoU between the SLFP and the UNP, if put into action, will force the JVP-JHU to break with the government, making them effectively the main opposition in Sri Lanka.

President, Opposition Discuss MoU with A/S Boucher

16. (C) In his October 19-20 meetings with Government of Sri Lanka (GSL) and opposition leaders, Assistant Secretary of State for South and Central Asia Richard Boucher inquired about the status of the proposed MoU between the SLFP and the

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- UNP. President Rajapaksa told him on October 19 that discussions were ongoing. He added that he had invited other parties, not just the UNP, to take ministerial posts in his government if they want to join the Common Minimum Program (CMP). Some in his party were concerned that the Singhalese nationalist JVP would gain strength if they became effectively the sole opposition, the President said. He added that in that event, he would take his case to the people and take his chances.
- 17. (C) Opposition United National Party (UNP) leader Ranil Wickremesinghe told A/S Boucher October 20 that his party generally has welcomed the agreement with the governing Sri Lanka Freedom Party (SLFP). According to Wickremesinghe, the UNP will bolster government peace efforts, support the SLFP in parliament, and participate fully in the All-Party Conference. However, the debate continues among party members about whether party officials should accept cabinet portfolios. He noted, however, that the latter point might be moot since there are not enough posts available to meet the demand.
- 18. (C) In an October 20 meeting with UNP-allied Sri Lanka Muslim Congress leader Rauf Hakeem, Ambassador Blake asked whether Hakeem thinks the latest SLFP-UNP discussions had the potential to address Muslim concerns that they have a role in a political solution. Hakeem responded ambivalently, saying he expects the government to consult with them on any final agreement -- but that they have not yet done so.

An Emerging "Southern Consensus"?

19. (C) COMMENT: It has been clear for a long time that a government dependent on Singhalese nationalist parties would never be able to offer a peace proposal that the Tamil Tigers and even more moderate Tamil groups could consider seriously. The Norwegian facilitators, other Co-chair Ambassadors and most local observers share our analysis that the major parties' agreement represents the best chance yet for developing a "southern consensus" that could lead to a realistic peace proposal from the government side. That

said, the MoU - as publicly released - is vague. (The more detailed papers the MoU refers to are not in the public domain, and we have not yet seen them.) There are many political factors that could still derail the arrangement before its implementation. Not the least of these is the increasingly shaky position of UNP leader Wickremesinghe within his own party. Should this erupt into a full-blown leadership battle within the UNP -- or if there is significant internal UNP dissension over whether to accept ministerial slots -- the deal could still come undone. BLAKE